

GOOD-TO-GREAT PRINCIPLES

1. Level 5 Executive Leadership

- Personal Humility
- Professional Will, almost fanatical
- Workmanlike diligence – more plow horse, than show horse
- Ambitious for the company, not themselves

2. First Who, Then What

- Getting the right people on the team comes *before* vision, strategy and tactics
- Get the right people on the bus
- Get the wrong people off the bus
- Put your best people on your biggest opportunities, not the biggest problems

3. Confront the Brutal Facts (But Never Lose Faith in the Potential for Greatness)

- Impossible to make good decisions without an honest confrontation of the brutal facts
- Create a culture wherein the truth can be heard
- Lead with questions, engage in dialogue not coercion and conduct autopsies without blame
- Charisma can be as much a liability as an asset because a strong personality often deters people from presenting the brutal facts
- Don't waste time trying to "motivate people". The right people are self-motivated but can be de-motivated.

4. The Hedgehog Concept

- Organizations should **only** do what they 1) can be great at, 2) can make money at and 3) have a passion for doing.
- The Hedgehog Concept is not a vision or strategy, but an *understanding*.
- Good-to-great companies set their goals and strategies based on understanding; others set their goals and strategies based on bravado.
- Getting the Hedgehog Concept is an iterative process.
- Hedgehog companies are simple creatures that know one big thing and stick to it. Other companies are more like foxes that know many things but lack consistency.

5. A Culture of Discipline

Sustained great results depend upon building a culture of disciplined people who take disciplined action within the three circles of the Hedgehog Concept.

A culture of discipline requires *disciplined people* who engage in *disciplined thought* and then take *disciplined action*.

The single most important form of discipline for sustained results is fanatical adherence to the Hedgehog Concept and the willingness to shun opportunities that fall outside the three circles.

The purpose of budgeting in a good-to-great company is not to decide how much each activity gets, but to decide which areas best fit within the Hedgehog Concept and should be fully funded and *which should not be funded at all*.

“Stop doing” lists are more important than “to do” lists.

6. Technology Accelerators

Good-to-great organizations avoid technology fads but become pioneers in applying *carefully selected* technologies.

Good-to-great organizations use technology as an accelerator of momentum, not a creator of it.

The key technology question is does it fit directly your Hedgehog concept? If yes, then becoming a pioneer in the technology makes sense. If no, you can settle for parity or ignore it entirely.

7. The Flywheel and the Doom Loop

Good-to-great transformations look dramatic and revolutionary on the outside but actually are organic, cumulative processes on the inside. There is no single defining action, no grand program, no one lucky break or miracle moment.

Sustainable transformations follow a predictable pattern of buildup and breakthrough – like pushing on a giant, heavy flywheel.

Average organizations follow the “doom loop” pattern. They try to skip buildup and jump immediately to breakthrough. Then, with disappointing results, they lurch back and forth, failing to maintain a consistent direction.